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Supreme Court of the United States

October Term, 1975

No. 75-697

GEORGE DICKSTEIN and SPORTS PRODUCTS CORPORATION,

Petitioners,

vs.

SEVENTY CORPORATION, PETER BOYKO and GRANTHAM, INC.

Respondents.

BRIEF OF RESPONDENT GRANTHAM, INC. IN OPPOSITION TO THE PETITION FOR WRIT OF CERTIORARI

To the United States Court of Appeals
For the Sixth Circuit

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Respondents.

BRIEF OF RESPONDENT GRANTHAM, INC. IN OPPOSITION TO THE PETITION FOR WRIT OF CERTIORARI

Respondent Grantham, Inc. ("Grantham") submits the within Brief in Opposition to the Petition of George Dickstein and Sports Products Corporation for the issuance of a Writ of Certiorari from this Court to the United States Court of Appeals for the Sixth Circuit. As more fully set forth below, the Petition for Writ of Certiorari (the "Petition") does not present any special or compelling reasons for the issuance of the requested Writ.

I. ARGUMENT IN OPPOSITION TO THE PETITIONERS' FIRST QUESTION: In its holding with respect to the quantum of proof necessary for Respondents to establish their defense of "obviousness" in this patent infringement case, the decision of the Court of Appeals harmonizes with the express mandate of the United States Supreme Court and does not commit the Sixth Circuit to a rigid standard in conflict with the other Federal Courts of Appeals.

In reliance upon the Supreme Court's decision in *Radio Corporation of America v. Radio Engineering Laboratories, Inc.*, 293 U.S. 1 (1934), Petitioners maintain that the Court of Appeals has ignored the express mandate of this Court by holding that the appropriate evidentiary burden to impose upon Respondents in regard to their "obviousness" defense to this patent infringement case (Patent Act, 35 U.S.C. § 103 (1952)) is "a preponderance of the evidence." However, as evidenced by the following excerpt from its decisions in *Campbell v. Spectrum Automation Company*, 513 F.2d 932 (6th Cir. 1975), the Sixth Circuit has demonstrated a sensitive awareness to Supreme Court pronouncements in this area, concluding that the "clear and convincing" standard for proving the invalidity of a patent has been confined by the Supreme Court to cases involving virtually exclusive reliance upon oral testimony:

> "Section 282 requires that: 'A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it.' . . . Even though this presumption makes patentees 'heavily favored as a class of litigants,' *Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation*, 402 U.S. 313, 335, 91 S. Ct. 1434, 1446, 28 L.Ed. 2d 788 (1971), it leaves unspecified the quantum of proof necessary to meet the 'burden of establishing invalidity.'
>
> "The Supreme Court first commented on the presumption of validity in *Coffin v. Ogden*, 85 U.S. (19 Wall.) 120, 124, 21 L.Ed. 821 (1873), stating that 'every reasonable doubt' should be resolved against the party asserting invalidity. Oral testimony of unpatented prior art was found in that case to defeat the patent. The Supreme Court emphasized that the unreliability of such oral testimony 'bring[s] the case made by the appellees within the severest legal tests which can be applied . . . .' *Id.* at 125. Subsequently *Cantrell v. Wallick*, 117 U.S. 689, 6 S.Ct. 970, 29 L. Ed. 1017 (1886) involved a contention of prior use sought

> to be proven by oral testimony. The Court again held that 'every reasonable doubt' should be resolved against the party asserting invalidity. *Id.* at 696, 6 S. Ct. 970. In *The Barbed Wire Patent*, 143 U.S. 275, 284, 12 S. Ct. 443, 447, 36 L.Ed. 154 (1891), . . . [t]he rationale for this strict standard was explained as follows:
>
> > 'We have now to deal with certain unpatented devices, claimed to be complete anticipations of this patent, the existence and use of which are proven only by oral testimony. In view of the unsatisfactory character of such testimony, arising from the forgetfulness of witnesses, their liability to mistakes, their proneness to recollect things as the party calling them would have them recollect them, aside from the temptation to actual perjury, courts have not only imposed upon defendants the burden of proving such devices, but have required that the proof shall be clear, satisfactory and beyond a reasonable doubt. Witnesses whose memories are prodded by the eagerness of interested parties to elicit testimony favorable to themselves are not usually to be depended upon for accurate information.'
> >
> > . . . .
> >
> > "The source of the 'clear and convincing' standard springs from these early decisions, wary of the dangers of accepting parol evidence exclusively to prove facts which are established more reliably by documentary evidence. . . .
> >
> > "These earlier Supreme Court cases seem to have confined this strict standard to those cases where a prior use was undertaken to be proved by oral testimony." 513 F.2d at 935-36.

Moreover, subsequent to its decision in *Radio Corporation of America v. Radio Engineering Laboratories, Inc.*, cited *supra*, the U.S. Supreme Court in *Williams Mfg. Co. v. United Shoe Mach. Corp.*, 316 U.S. 364 (1942), criticized

and rejected the Sixth Circuit's adherence to the strict standard utilized in *Radio Corporation of America,* stating that special circumstances affect the weight to be accorded the presumption of validity and that the presumption serves only to resolve in favor of the patentee an instance of evidentiary equilibrium:

> "Whatever the small weight to be given to the presumption arising from issuance of a patent, it is here overcome by the special circumstances of this case. . . . At the very best, the presumption of validity arising from the mere issuance of a patent might be permitted to tip the scale when other considerations leave the issue of patentability in equilibrium." 316 U.S. at 393.

More recently, the Supreme Court has advocated a flexible, case-by-case approach to the question of "obviousness" in patent infringement cases:

> "This is not to say, however, that there will not be difficulties in applying the nonobviousness test. *What is obvious is not a question upon which there is likely to be uniformity of thought in every given factual context. The difficulties, however,* are comparable to those encountered daily by the courts in such frames of reference as negligence and scienter, and *should be amenable to a case-by-case development." Graham v. John Deere Co.*, 383 U.S. 1, 18 (1966) (emphasis added).

In applying the "preponderance" standard to this case, the Court of Appeals noted the "special circumstances" which rendered this standard appropriate: the Respondents sought to prove their defense of "obviousness" by prior patents, other documentary evidence and physical exhibits; conversely, unlike cases involving "prior use" claims and challenges to the patentee's inventorship, this case was not characterized by "the unreliability of hazy and biased recollections of stale facts and circumstances, peculiarly within the knowledge of the testifying parties." (Opinion of the

Court of Appeals, set forth in the Petition for Writ of Certiorari at 25A).

The Court of Appeals' adoption of the "preponderance" standard as opposed to the stricter standard of "clear and convincing evidence" is also entirely consonant with this Court's mandate that:

> "Courts should scrutinize combination patent claims [such as the one at bar] with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements." *Great A. & P. Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147, 152 (1950).

In brief, the Court of Appeals' application of the "preponderance" standard in the case at bar does not in any manner contravene Supreme Court mandates. *See, e.g., Graham v. John Deere Co., Great A. & P. Tea Co. v. Supermarket Equip. Corp.* and *Williams Mfg. Co. v. United Shoe Mach. Corp.*, all cited *supra;* nor does it present a special or compelling rationale for granting *certiorari,* for this Court has consistently left undisturbed appellate decisions which have applied the "preponderance" standard. *See, e.g., Rains v. Niaqua, Inc.*, 406 F.2d 275 (2nd Cir.), *cert. denied,* 395 U.S. 909 (1969); *Gross v. JFD Manufacturing Co., Inc.*, 314 F.2d 196 (2nd Cir.), *cert. denied,* 374 U.S. 832 (1963).

Furthermore, the Sixth Circuit has not committed itself to a rigid "preponderance" standard in direct conflict with the positions adopted in other Federal Circuits. As recently as its April 17, 1975 decision in *Campbell v. Spectrum Automation Company,* cited *supra,* the Sixth Circuit, noting the heavy reliance of the alleged infringer in that case upon stale, biased and uncorroborated oral evidence peculiarly within his knowledge, held that the defendant, who assailed the identity of the patentee as the true inventor (Patent Act, 35 U.S.C. § 102(f) (1952)), was required to prove

his defense by "clear and convincing" evidence. The Court in *Campbell*, however, expressly limited the scope of its holding:

> "We conclude that the clear and convincing standard should be applied in the present case. In doing so, we do not commit this Circuit to any general rule requiring the application of this standard in all patent cases.
>
> ". . . Our decision is confined to the factual situation presented in the case at bar. We expressly reserve a decision as to when the clear and convincing standard should be applied in other situations involving the statutory presumption of validity." 513 F.2d at 937.

Thereupon, consistent with the Supreme Court mandate that special circumstances be taken into account in determining the weight to be accorded the statutory presumption of validity, the Sixth Circuit in the decision below held that in view of the special quality of the evidence adduced by Respondents to establish the defense of "obviousness", the lesser standard of proof was warranted:

> "There are no similar circumstances of unreliability in the present case. Patents and other documentary evidence, as well as physical exhibits, were introduced at trial. . . . Nor are there other factors which tend to strengthen the validity of the patent.
>
> . . .
>
> "We are therefore of the opinion that *in this case, and in the usual patent case in which validity is proved with similar evidence*, a preponderence of evidence is sufficient to establish invalidity." Opinion of the Court of Appeals, set forth in the Petition for Writ of Certiorari at 25A-26A (emphasis added).

Rather than adopting, as Petitioners charge, a rigid standard in conflict with other Circuits, the Sixth Circuit

has exercised the very flexibility and case-by-case approach counseled by the U.S. Supreme Court.

Finally, there is an additional factor present in the case at bar which further serves to justify the application of the "preponderance" standard and dissipate the alleged conflict between the decision below and those in other Federal Circuits. The Court of Appeals noted that, "During the trial, pertinent prior art was introduced in evidence which was not cited by the Patent Office." (Opinion of the Court of Appeals, set forth in the Petition for Writ of Certiorari at 27A.) The Sixth Circuit has consistently held that since the statutory presumption of validity is grounded upon the deference to be accorded to the expertise of the Patent Office, the failure of that Office to consider pertinent prior art tends to weaken, if not destroy, the presumption. *Westwood Chemical, Inc. v. Owens-Corning Fiberglas Corporation*, 445 F.2d 911 (6th Cir. 1971), *cert. denied*, 405 U.S. 917 (1972); *The B. F. Goodrich Company v. Rubber Latex Products, Inc.*, 400 F.2d 401 (6th Cir. 1968); *Royal Patent Corp. v. Monarch Tool & Mfg. Co.*, 203 F.2d 299 (6th Cir. 1953).

Moreover, the principle of the weakened presumption of validity (and, accordingly, a less strict standard of evidence for overcoming the presumption) has been adopted in other Federal Circuits, *including Circuits such as the Fifth and Seventh which require that an unweakened presumption be overcome by "clear and convincing" evidence. See, e.g., Stamicarbon, N.V. v. Escambia Chemical Corporation*, 430 F.2d 920 (5th Cir.), *cert. denied*, 400 U.S. 944 (1970); *Deep Welding, Inc. v. Sciaky Bros., Inc.*, 417 F.2d 1227 (7th Cir. 1969), *cert. denied*, 397 U.S. 1037 (1970).

II. ARGUMENT IN OPPOSITION TO THE PETITIONERS' SECOND QUESTION: Not only does the record contain extensive oral testimony from "one skilled in the art", but also, even in the absence of

such testimony, the District Court is charged by law with determining (and the Court of Appeals with reviewing) the issue of whether or not the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time of invention to a person having ordinary skill in the art.

As their second ground for the issuance of a Writ of Certiorari, Petitioners charge that in the absence of any testimony from "one skilled in the art", the Court of Appeals improperly interjected itself into the record in determining that the alleged invention *would* have been obvious to one skilled in the relevant art.

In the first instance, Petitioners' characterization of the testimony in the record is inaccurate: Respondents established the credentials of John P. Grantham as a person skilled in the relevant art and proceeded to elicit extensive testimony from him as to the similarities between Petitioners' alleged invention and the objects and patents which constituted the prior art (R. 161-86); thus, the record is not, as Petitioners suggest, devoid of testimony from "one skilled in the art".

Moreover, even if the record were barren of such testimony, there were, as noted by the Court of Appeals, "[p]atents and other documentary evidence, as well as physical exhibits" (Opinion of the Court of Appeals, set forth in the Petition for Writ of Certiorari at 25A) from which to conclude that the Dickstein patent did not achieve any results which would not have been obvious to one of ordinary skill in the art. Petitioners cite no authority that an alleged infringer who asserts the defense of "obviousness" *must* produce oral testimony from one skilled in the art; in fact, there is judicial recognition that the language in 35 U.S.C. § 103 refers to a "*fictional* or *theoretical* 'person having ordinary skill in the art.'" *Lorenz v. F. W. Woolworth Co.*, 305 F.2d 102, 106 (2nd Cir. 1962) (dissenting opinion) (emphasis added).

The Court of Appeals did not improperly inject itself into the record but rather drew a *legal* conclusion which it is charged with making. *Graham v. John Deere Co.*, cited *supra*. The determination of "obviousness" requires first a determination of the state of the prior art and secondly a determination of the improvement, if any, which the patentee has achieved over the art; thereafter,

> "The final step is to determine whether the improvement would have been obvious to one skilled in the art. *This requires application of a legal criteria and therefore is a question of law, fully reviewable by the appellate court.*" *Monroe Auto Equipment Company v. Heckethorn Manufacturing & Supply Company*, 332 F.2d 406, 411 (6th Cir.), *cert. denied*, 379 U.S. 888 (1964) (emphasis added).

Surely Petitioners do not maintain that in the absence of expert testimony from one skilled in the relevant art, the District and Appellate Courts should abstain from determining the legal issue of "obviousness". Indeed, Petitioners had no difficulty with the District Court interjecting *itself* and concluding that the patentee's invention was *not* obvious.

III. ARGUMENT IN OPPOSITION TO THE PETITIONERS' THIRD QUESTION: The Court of Appeals was wholly justified in inferring that the patent application received only a cursory examination in the Patent Office.

By virtue of the convenient deletion of a critical excerpt from the Court of Appeals decision, Petitioners suggest that the inference of a cursory examination by the Patent Office of the patent in suit was based solely on the fact that the patent was allowed as filed without any substantive comments. A more complete quotation from the

Court of Appeals decision discloses its *reliance on the fact that pertinent prior art was not cited by the Patent Office:*

> "At the outset we note that in the present case the record supports the inference that the patent application received only a cursory examination in the Patent Office. The first patent application was allowed on the first office action by the Patent Office, but was abandoned prior to issuance by Dickstein in favor of a continuation application. The continuation was also allowed on the first office action. It does not appear that the Patent Office supplied substantive comments of any nature, in either application, concerning the patentability or unpatentability of the claims. *Nor does the record disclose thorough consideration of the prior art by the Patent Office. During the trial, pertinent prior art was introduced in evidence which was not cited by the Patent Office. See Schnadig Corp. v. Gaines Mfg. Co., Inc.*, 494 F.2d 383, 390-391 (6th Cir. 1974); *Tee-Pak, Inc. v. St. Regis Paper Co.*, 491 F.2d 1193, 1196 (6th Cir. 1974)." Opinion of the Court of Appeals, set forth in the Petition for Writ of Certiorari at 27A (emphasis added).

The failure of the Patent Office to consider relevant prior art has always been a factor of significance in determining the validity of a patent in suit; as noted above, such failure tends to weaken, if not destroy, the statutory presumption of validity. *See, e.g., Westwood Chemical, Inc., v. Owens-Corning Fiberglas Corporation,* cited *supra.* This weakening of the presumption is itself based upon the very reasoning adopted by the Court of Appeals, *i.e.,* that the failure of the Patent Office to cite and consider relevant prior art is indicative of an imperfect examination of the patent in question, thereby negating the rationale for according the statutory presumption in the first place.

CONCLUSION

Since Petitioners have failed to present any special or compelling reasons for review of the Court of Appeals decision, the request for a Writ of Certiorari should be denied.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned counsel, a member of the bar of the United States Supreme Court, hereby certifies that, in compliance with Rule 33 of the Supreme Court Rules, three (3) printed copies of the foregoing Brief of Respondent Grantham, Inc. in Opposition to the Petition for Writ of Certiorari were deposited in the United States mail on this 9th day of December, 1975, with first class postage prepaid, addressed to each of Richard J. Egan of the law firm Baldwin, Egan, Walling & Fetzer, 1430 Keith Building, Cleveland, Ohio 44115 and Milton H. Wyner of the law firm Wyner and Wyner, 2312 Terminal Tower, Cleveland, Ohio 44113, co-counsel of record for Petitioners George Dickstein and Sports Products Corporation, and William C. McCoy, Jr., of the law firm Bosworth, Sessions & McCoy, 625 National City Bank Building, Cleveland, Ohio 44114, counsel of record for Respondents Seventy Corporation and Peter Boyko.

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